

**Commonwealth of Kentucky
Personnel Cabinet**

**UNIFORM PAYROLL/PERSONNEL SYSTEM
PAYROLL MANUAL**

**January 1996
Printed with State Funds**

OUTLINE FOR PAYROLL MANUAL

PAGE

1.	Introduction	
A.	Overview of Payroll Process in State Government.....	1.1
B.	Where Does the Payroll Officer Fit In?.....	1.1
2.	Basic Payroll Instructions	
A.	Laws Governing Payroll.....	2.1
B.	Glossary of Terms.....	2.5
C.	Who are Employees and What are Wages.....	2.8
D.	Types of Payrolls in State Government (Manual & UPPS).....	2.9
3.	Transactions to Submit When a New Employee Comes on Board.....	3.1
A.	With a P-1.....	3.2
B.	No P-1.....	3.3
C.	Transfer.....	3.3
4.	How to Make Changes to an Employee's Payroll Record	
A.	P-1 Employee.....	4.1
B.	Non P-1 Employee.....	4.1
5.	Reporting Time and Attendance of Employees	
A.	T&A Forms or Substitute.....	5.1
B.	700 and 900's.....	5.2
C.	PTL.....	5.3
D.	One Time Adjustments (800's).....	5.4
E.	Special Situations.....	5.5
E.1.	On-Leave Employees.....	5.5
E.2.	Terminated Employees.....	5.7
E.3.	How to Pay Deceased Employees.....	5.8
F.	Sick Leave Sharing.....	5.9
G.	Family and Medical Leave Act.....	5.17
H.	Annual Leave Sharing.....	5.26
6.	How to Know if You have an Error or Problem	
A.	Reading Edits and Interpreting Messages.....	6.1
B.	Error Messages.....	6.2
7.	What to Do When a Check is Wrong or Missing.....	7.1
A.	Preparing a System Supplemental.....	7.2
B.	DOA-27 Manual Payroll Voucher.....	7.4
C.	Manual Pay Transactions.....	7.15
D.	On-Line Manual Pay Transactions.....	7.44
8.	Transaction Forms and Field Descriptions.....	8.1
A.	Transaction 200 - Employee Identification.....	8.2
	Transaction 201 - Organizational Information.....	8.2
	Transaction 205 - Employee Address.....	8.3
	Transaction 235 - Job Description.....	8.3
B.	Transaction 210 - Pay and FIT Tax Information.....	8.5
	Transaction 215 - State and Local Tax Information.....	8.7
	Transaction 220 - Overtime and Shift Information.....	8.8

	Transaction 230 - Employment Information.....	8.9
C.	Transaction 260 - Labor Distribution.....	8.11
	Transaction 290 - Expanded Labor Distribution.....	8.11
D.	Transaction 265 - Personnel Status Flags.....	8.14
	Transaction 270 - Employee Pay Constants.....	8.16
	Transaction 285 - Alphanumeric Pay Constants.....	8.16
E.	Transaction 255 - Secondary Work States.....	8.18
	Transaction 240 - Personnel Dates.....	8.18
	Transaction 275 - Numeric Pay Constants and Eligibility Dates.....	8.19
	Transaction 315 - Comp Hours.....	8.19
	Transaction 350 - Vacation and Sick Leave Hours.....	8.19
F.	Transaction 700 - Standard Time Reporting.....	8.21
G.	Transaction 8XX - One-Time Deductions.....	8.24
H.	Transaction 9XX - Special Payments.....	8.26
I.	Transaction BFM - Pending File Maintenance.....	8.42
J.	Transaction 225 - Employee Deduction Information.....	8.44
	Deduction Table.....	8.45
	Reference Number Lists.....	8.58
K.	Transaction 266 - Alternate Savings Bond Owners Name.....	8.67
	Transaction 267 - Alternate Bond Owners Address.....	8.67
L.	EFT Transactions - Banking Information.....	8.69
9.	Court and Board-Ordered Backpays.....	9.1
10.	Appendix	
A.	Alphabetical Local Tax List.....	10.1
B.	Federal and State Tax Withholding Tables.....	10.7
C.	CICS Personnel's Online Payroll File (POPY).....	10.15
D.	P-1 Generated Transactions.....	10.50
E.	Payroll Deduction Eligibility.....	10.65
F.	Request for Dual Employment.....	10.66
H.	Transferring Months of Services/Leave Balances.....	10.67

INTRODUCTION

1.A. Overview of Payroll Process in State Government

The world of payroll in Kentucky State Government is a realm of detail, complex processes and specific procedures. This world need not be a difficult world to live in, if the whole process is understood. To assist in obtaining this understanding, this manual has been developed. This volume is designed to provide, in summary form, information needed to process payrolls for the Commonwealth of Kentucky. Not only will this manual cover the state's automated payroll system (UPPS), but it will also cover specific documents used in the payroll field, such as request for refund forms. It will provide a complete overview of the laws that affect payroll processing, and specifically how they relate to the Commonwealth. This manual should be viewed as a basic guide through the payroll maze. It is not intended to replace any or all of the precise language used in payroll laws, nor is it intended to answer all questions that might arise. However, for each area addressed, information will be provided as to where additional guidance can be obtained on the specific subject matter.

Processing payrolls in state government involves four separate entities or agencies. The first step begins at the agency level. The agency prepares the initiating pay documents, based on time and employee records in their office. The pay documents are submitted to the Personnel Cabinet, Payroll Operations Branch, for processing and audit. The Personnel Cabinet then forwards the payroll to the Finance and Administration Cabinet, Division of Accounts, for audit, posting of account charges and issuance of a warrant. The necessary documentation is then sent to the State Treasurer's Office where the checks are actually written (either from a voucher or check tape). Upon completion of this process, the check is sent to (or picked up by) the agency for distribution to the employee.

Obviously, this is a most simplified description of the payroll process. There are many detail steps that occur at each of the agencies involved. One of these involves the balancing and remitting of taxes to all applicable governments, which is done by the State Treasurer's Office. This process would apply whether the payroll is produced by a manual payroll voucher or an automated payroll system. Only the time period from step one to receiving the check may vary.

1.B. Where does the payroll officer fit in this process?

Obviously, the payroll officer is at the top of this chain. This is the key link in this chain, as the payroll officer is the only point that has the time, deduction and tax information available for any given employee. Accordingly, the payroll officer is the only link that can truly verify or assure the accuracy of any payroll. Each of the other agencies involved must rely on the information submitted by the payroll officer. This position then is viewed as one of major responsibility and trust. Not only does the payroll officer have the responsibility for the maintenance of confidential information, but is also held accountable in the employee's mind for the compliance with tax laws that apply to payroll. In the next chapter, the applicable tax laws will be explained.